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BOARD OF DIRECTORS’ REPORT
FOR THE QUARTER ENDED 30 June 2025

Dear Shareholders,

On behalf of the Board of Directors of National Aluminium Products Company SAOG (NAPCO), I present the unaudited financial statements for the quarter ended 30 June 2025 along with a review of the Company’s performance and strategic outlook.

Economic environment

The global aluminum industry has experienced continued volatility over the past year, characterized by elevated energy costs, geopolitical tensions, and persistent supply chain disruptions, These challenges, compounded by fluctuating demand dynamics, have created a complex operating environment for industry participants.

Despite these macroeconomic headwinds, NAPCO has demonstrated resilience by capitalizing on Oman’s strategic geographic advantages and aligning with the Sultanate’s Vision 2040 economic diversification strategy. Our ability to adapt to external pressures has enabled us to maintain operational stability and sustain competitiveness in export markets.

The global transition toward sustainability and low-carbon manufacturing presents both opportunities and risks, including rising input costs, stringent environmental regulations, and economic uncertainty. In response, Management has prioritized strategic initiatives designed to strengthen margins, safeguard long-term shareholder value, and ensure NAPCO remains agile in a rapidly evolving industry landscape.

Performance Review

The consolidated financial performance of the National Aluminium Company Products Company SAOG (Parent Company) and Novel Aluminium Products Company LLC (Subsidiary) for the period ended 30 June 2025, compared to the prior year, is summarized below:

	RO 000s			
	Group		Parent	
Particulars	YTD 2025	YTD 2024	YTD 2025	YTD 2024
Revenue	12,147	9,945	12,070	9,894
Net loss before taxation	(522)	(1,012)	(535)	(994)
Net loss after tax	(522)	(1,012)	(535)	(994)

For the quarter ended 30 June 2025, the Group achieved a 22% year-on-year revenue growth, while cost of sales increased by 16%. Notably, the net loss after tax improved significantly to RO 522k, a 48% reduction compared to the prior year's loss of RO 1,012k. This improvement reflects cost optimization initiatives, alongside a 25% injection of committed funds by shareholders and enhanced working Capital facility from a new Lender.

However, the Company continues to face challenges related to working capital constraints and elevated borrowing costs. Management is actively addressing these issues through strategic financial and operational measures

Future outlook

NAPCO remains well-positioned to capitalize on growing demand for sustainable aluminum products across key sectors, including construction, transportation, and renewable energy. Domestically, Oman’s Vision 2040 and ongoing infrastructure development present additional growth opportunities.

While external risks such as raw material price volatility and global uncertainties uncertainty persist, NAPCO will focus on expanding its product range, enhance supply chain efficiency, and strengthening its competitive positioning to drive sustainable long-term growth and deliver value to shareholders

Acknowledgement and Appreciation

The Board extends its deepest appreciation to our shareholders for their continued trust and support. We also express our gratitude to our clients, suppliers, banking partners, regulatory authorities, the MSX, and the FSA for their collaboration. Our sincere thanks go to management and employees for their commitment and dedication.

Finally, we acknowledge with gratitude the visionary leadership of His Majesty Sultan Haitham bin Tarik and his government in fostering economic progress and prosperity.

Dr. Zakia Hassan Al-Naseeb

Chairperson